

Trade Sustainability Impact Assessment of the AA to be negotiated between the EU and Central America

TRADE08/C1/C14 & C15 - Lot 2

Final Interim Technical Report

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List of Acronyms and Abbreviations

Abbreviation	Description
AA	Association Agreement
ALOP	Asociación Latinoamericana de Organizaciones de Promoción
CAWN	Central American Women's Network
CCA	Causal Chain Analysis
CDR	Centro de Estudios para el Desarrollo Rural
CGE	Computational General Equilibrium
DDA	Doha Development Agenda
DR-CAFTA	Dominican Republic-Central American Free Trade Agreement
EC	European Commission
EDF	Economic Development Foundation
EEA	European Environment Agency
ESF	European Services Forum
EU	European Union
EURATEX	European Apparel and Textile Organisation
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
FoEE	Friends of the Earth Europe
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GSP	Generalized System of Preferences
ILO	International Labour Organisation
IPR	Intellectual Property Rights
LULUFC	Land Use, Land use Change and Forestry
ODI	Overseas Development Institute
PPP	Purchasing Power Parity
SICA	Central American Integration System
SIECA	Secretariat for Central American Economic Integration
SL	Skilled labour
SMEs	Small and Medium Enterprises
ToR	Terms of Reference
TSIA	Trade Sustainability Impact Assessment
UL	Unskilled labour
UN	United Nations
US	United States
WEI	Water Exploitation Index
WTO	World Trade Organisation

Preface

In January 2009, the ECORYS lead consortium has been contracted to perform the Trade Sustainability Impact Assessment for the trade part of the Association Agreement (AA) to be negotiated between the European Union (EU) and six Central American republics (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama). It entails the use of both quantitative and qualitative methods in order to determine the potential economic, social and environmental impacts of a AA between the EU and Central America. The study is performed jointly by ECORYS Nederland BV, Corporate Solutions (Spain) and Centro de Estudios para el Desarrollo Rural (CDR, Costa Rica).

This report is the Interim Technical Report that presents the findings of the first main part of the project, encompassing:

- An overview of the current economic, social and environmental issues and main trends in the EU and Central America;
- A short presentation of the general equilibrium model and modelling techniques used to predict the impacts that an AA will bring about;
- A presentation of the sector-level modelling outcomes for the pre-defined scenarios and an interpretation of these results;
- A screening and scoping exercise for the following phase of the study.

The next main phase of the study will encompass more in-depth analysis on a selected set of sectors and issues, with a view to providing policy recommendations and flanking measures for this AA. We have benefited greatly from the internal and external experts that have given feedback, as well as public consultations and bilateral meetings with civil society. We are especially grateful to several EU and Central American civil society representatives for their critical comments, expertise and suggestions.

The project website for this study is www.tsia.ecorys.com/ca and you can e-mail us at tsiaca@ecorys.com for further comments and suggestions for improvement.

This report was commissioned and financed by the Commission of the European Communities. The views expressed herein are those of the Consultant, and do not represent an official view of the Commission.

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